

**G & H ENGINEERING & DIVING SERVICES
LIMITED**

Company No. 2412380

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST AUGUST 2000



G & H Engineering & Diving Services Limited

Company Information

Directors

G.L. Hassell
G.P. Hassell
J.A. Stanton

Secretary

C. Hayes

Registered Office

Middlesex House
800 Uxbridge Road
Hayes
Middlesex
UB4 0RS

Bankers

HSBC
125 Harlington Road West
Feltham
Middlesex
TW14 0JH

Accountants

Kingston Smith
Middlesex House
800 Uxbridge Road
Hayes
Middlesex
UB4 0RS

G & H Engineering & Diving Services Limited

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G & H Engineering & Diving Services Limited

Report of the Directors

The directors have pleasure in presenting their report and financial statements for the year ended 31st August 2000.

Principal activity

The principal activities of the company throughout the year were that of consulting engineering, salvage divers and sales of diving equipment.

Directors and their interests

The directors who served the company throughout the year together with their interests (including family interests) in the shares of the company, at the beginning and end of the year, were as follows:

	Ordinary shares of £ 1 each	
	31st August 2000	1st September 1999
G.L. Hassell	999	999
G.P. Hassell	-	-
J.A. Stanton	-	-

Auditors

The directors have decided to take advantage of the provisions of section 249A of the Companies Act 1985 and therefore an audit has not been carried out for the year under review.

Small company rules

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

On behalf of the Board

G.L. Hassell
Director

Middlesex House
800 Uxbridge Road
Hayes
Middlesex
UB4 0RS

Date: 30/4/02

G & H Engineering & Diving Services Limited
Profit and Loss Account
For the year ended 31st August 2000

	Note	2000 £	1999 £
Turnover	2	887,145	970,082
Cost of sales		(639,623)	(697,973)
Gross profit		247,522	272,109
Administrative expenses		(269,096)	(248,227)
Operating (loss)/profit	3	(21,574)	23,882
Interest payable and similar charges		(22,799)	(9,709)
(Loss)/Profit on ordinary activities before taxation		(44,373)	14,173
Taxation	5	-	(3,881)
(Loss)/Profit for the Financial Year		(44,373)	10,292
Dividends on equity shares	6	-	(70,000)
Retained (loss) transferred from reserves	13	(44,373)	(59,708)

G & H Engineering & Diving Services Limited

Balance Sheet at 31st August 2000

	Notes	2000	1999
		£	£
Fixed Assets			
Tangible Fixed Assets	7	74,047	53,794
Current Assets			
Stock	8	126,101	88,124
Debtors	9	213,396	235,441
		<u>339,497</u>	<u>323,565</u>
Creditors:			
Amounts falling due within one year	10	(304,399)	(352,146)
Net Current Assets/(Liabilities)		<u>35,098</u>	<u>(28,581)</u>
Total Assets less Current Liabilities		<u>109,145</u>	<u>25,213</u>
Creditors:			
Amounts falling due after more than one year	11	(133,725)	(5,420)
Net Liabilities/Assets		<u>(24,580)</u>	<u>19,793</u>
Capital and Reserves			
Called up share capital	13	1,000	1,000
Profit and loss account	13	(25,580)	18,793
Shareholders' Funds		<u>(24,580)</u>	<u>19,793</u>

The directors have:

- (a) taken advantage of the Companies Act 1985 in not having these accounts audited under section 249A(1);
- (b) confirmed that no notice has been deposited under Section 249B(2) of the Companies Act 1985;
- (c) acknowledged their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985; and
- (d) acknowledged their responsibilities for preparing accounts which give a true and fair view of the state of affairs of the company and of its loss for the year ended 31st August 2000 in accordance with the requirements of section 226 of the Companies Act 1985 and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to this company.

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Approved by the board on

G.L. Hassell..... Director

30/4/02

G & H Engineering & Diving Services Limited

Notes to the Financial Statements

For the year ended 31st August 2000

1 Principal Accounting Policies

Going Concern

The directors feel that it is appropriate to prepare the accounts on a going concern basis. The company is confident of the continuing support of its bankers and of Mr G.L. Hassell, a director, until it returns to a solvent position.

Accounting basis and standards

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Turnover

Turnover represents the invoiced value of goods sold and services provided net of value added tax.

Depreciation

Depreciation on fixed assets is provided at rates estimated to write off the cost, less estimated residual value, of each asset, over its expected useful life as follows:

Plant and machinery	20% reducing balance
Motor vehicles	25% reducing balance
Fixtures and fittings	10% reducing balance

Stocks and Work in Progress

Stocks are stated at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition, including where appropriate, a proportion of manufacturing overheads.

Valuation of work in progress is based on the cost of materials and labour for jobs in progress at the year end.

Deferred taxation

Deferred tax is accounted for under the liability method in respect of the taxation effects of all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and depreciated over their expected useful lives. The interest element of the rental obligations is charged to the Profit and Loss Account over the period of the lease on a straight line basis.

2 Turnover

Turnover is attributable to the one principal activity of the company which arose wholly in the United Kingdom.

G & H Engineering & Diving Services Limited
Notes to the Financial Statements
For the year ended 31st August 2000

3	Operating (Loss)/Profit	2000 £	1999 £
	The operating (loss)/profit is stated after charging:	-	
	Auditors' remuneration	-	3,000
	Depreciation - owned tangible fixed assets	4,703	4,971
	Depreciation - assets held under finance leases	10,341	9,497
	Other operating lease rentals	12,000	13,000
		<u>12,000</u>	<u>13,000</u>
4	Directors	2000 £	1999 £
	Total directors' remuneration	71,577	30,217
		<u>71,577</u>	<u>30,217</u>
5	Taxation	2000 £	1999 £
	U.K. Corporation tax at the rate of 20% (1999 - 20.6%)	-	3,881
		<u>-</u>	<u>3,881</u>
6	Dividends	2000 £	1999 £
	Interim dividends paid	-	70,000
		<u>-</u>	<u>70,000</u>
7	Tangible Fixed Assets		Other Assets £
	Cost		
	At 1st September 1999		128,073
	Additions		40,310
	Disposals		(13,500)
	At 31st August 2000		<u>154,883</u>
	Depreciation		
	At 1st September 1999		74,279
	Charge for year		15,044
	Depreciation on disposals		(8,487)
	At 31st August 2000		<u>80,836</u>
	Net Book Value		
	At 31st August 2000		<u>74,047</u>
	At 31st August 1999		<u>53,794</u>
	The net book value of fixed assets of £74,047 (1999 - £53,794) includes an amount of £50,239 (1999 - £28,493) in respect of assets held under finance leases and hire purchase contracts.		
8	Stocks	2000 £	1999 £
	Stocks	126,101	88,124
		<u>126,101</u>	<u>88,124</u>

G & H Engineering & Diving Services Limited
Notes to the Financial Statements
For the year ended 31st August 2000

9	Debtors	2000 £	1999 £
	Trade debtors	205,044	233,233
	Other debtors	8,352	2,208
		<u>213,396</u>	<u>235,441</u>
10	Creditors: Amounts Falling Due Within One Year	2000 £	1999 £
	Bank loans and overdrafts	49,085	91,438
	Trade creditors	57,824	91,600
	Corporation tax	16,561	16,361
	Social security and other taxes	154,580	120,786
	Other creditors	15,319	22,477
	Obligations under hire purchase and finance lease contracts	11,030	9,484
		<u>304,399</u>	<u>352,146</u>
11	Creditors: Amounts Falling Due After One Year	2000 £	1999 £
	Bank loans and overdrafts	113,479	2,913
	Obligations under hire purchase and finance lease contracts	20,246	2,507
		<u>133,725</u>	<u>5,420</u>
12	Provisions for Liabilities and Charges		

Deferred taxation

No provision for deferred taxation has been made in these financial statements. The full potential liability is as follows:

	2000 Amount provided £	2000 Potential liability £	1999 Amount provided £	1999 Potential liability £
Accelerated capital allowances	-	2,105	-	823

G & H Engineering & Diving Services Limited
Notes to the Financial Statements
For the year ended 31st August 2000

13 Shareholders' Funds

2000

	Profit and Loss Account £	Share Capital £	Total £
At 1st September 1999	18,793	1,000	19,793
Loss for the year	(44,373)	-	(44,373)
At 31st August 2000	(25,580)	1,000	(24,580)

2000 £	1999 £
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The share capital comprises:

Authorised:

1,000 Ordinary shares of £1 each	1,000	1,000
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Called up, allotted and fully paid:

1,000 Ordinary shares of £1 each	1,000	1,000
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The movements in shareholders' funds in the previous year are set out below:

1999

	Profit and Loss Account £	Share Capital £	Total £
At 1st September 1998	78,501	1,000	79,501
Loss for the year	(59,708)	-	(59,708)
At 31st August 1999	18,793	1,000	19,793

G & H Engineering & Diving Services Limited

Notes to the Financial Statements

For the year ended 31st August 2000

14 Controlling Party and Transactions With Directors

The immediate and ultimate controlling party is the director G.L. Hassell by virtue of his shareholding in the company.

The company paid rent of £12,000 to Mr Hassell during the year for use of the trading property at 61 Hanworth Road, Feltham, Middlesex.

Included in other debtors and other creditors are loan account balances to the directors as follows:

	31st August 2000	1st September 1999
G.L. Hassell	(8,795)	326
G.P. Hassell	2,259	2,259
	<u>(6,536)</u>	<u>2,585</u>

15 Obligations Under Hire Purchase & Finance Leases

2000	1999
£	£

At 31st August 2000 the company had obligations under finance leases and hire purchase contracts which are set out below:

Net amount payable:		
within one year	11,030	9,484
in the second to fifth years	20,246	2,507
	<u>31,276</u>	<u>11,991</u>